

## **COMPETITIVE SOURCING/A-76 NEWSLETTER JULY 2001**

### **ANNUAL PARTNERING MEETING**

The annual CE, Contracting, and Industry Partnering Meeting previously postponed due to the current relook of Competitive Sourcing issues is now scheduled for 28-29 August 01 at the Westin Hotel in Atlanta. The theme of the Forum is "Partnering Achieves Success" with the primary focus on Performance-Based Service Contracts. Forum information is posted on the AFCEA web site.

### **GAO REPORT**

Members of the Senate tasked the GAO to investigate the impact of OMB Circular A-76 competitions on employment, pay, and benefits of federal employees who formerly performed the contracted work. The Senators expressed concern about the adverse affect of competitions on the pay and benefits of former federal employees and the results of shifting government jobs to the private sector at lower pay and benefits.

The GAO concluded that the impact on employment, pay, and benefits of individual employees varies depending on the results of the competitions, the availability of other government jobs, and other individual factors, such as retirement eligibility. The location and the technical nature of the work also affect pay. The GAO analyzed three recently completed and implemented A-76 competitions. Three competitions (two at Wright Patterson AFB, BOS and Civil Engineering, and one at Tyndall AFB, Civil Engineering) were selected. Wright Patterson had one study that resulted in a contracted organization and one that remained in-house under the MEO structure. The Tyndall competition resulted in a contracted organization. The analysis showed that about 50% of the civilian employees remained in federal service. The remaining employees received cash incentives of up to \$25,000 to retire or separate. There were few involuntary separations. All who applied for positions with contractors who won the competitions were hired. Some employees who accepted positions with the contractor received a cash incentive to leave government service and federal retirement benefits. The entire report can be found at [www.gao.gov](http://www.gao.gov), Report GAO 01-388.

Although there is a perception that A-76 Competitions adversely affect employees whether won in-house or contracted, the report clearly shows that less than 1% of government workers are without a job. Pay and benefits in the federal system are comparable to the private sector since the Service Contract Act governs minimum wages and benefits. In many cases where the organization is contracted, the former government employee is better off financially due to receiving a civil service retirement or the \$25,000 incentive pay to voluntarily separate.

### **STREAMLINING A-76**

The Bush administration is committed to streamlining the government's outsourcing rules as set out in OMB Circular A-76. As a result the GAO has convened a panel of A-76 experts from across agencies to determine needed changes. The first organizational

meeting was held in May 01. The group will hold meetings and open forums over the next year to determine the appropriate changes and provide a final report by June 02. Information about upcoming meetings can be found at [www.gao.gov](http://www.gao.gov).

### **NEW LEGISLATION TO TRACK OPERATING COSTS**

The Bush administration is drafting legislation to require full cost accounting for all agencies. The information will provide leadership at all levels of the organization with data needed to decide if outsourcing is a viable alternative. The administration's FY 02 budget describes the legislation as a management tool and specifically states, "If managers are going to be held accountable for the achievement of output targets, they should be given accurate information on the cost of their programs and flexibility in choosing service providers."

We in the CE community have long known the importance of accurate data. Our manpower is earned through manpower standards using quantifiable, accurate, and retrievable workload data. Much of the CE data currently resides in WIMS and soon ACES. The new legislation will shift emphasis from tracking how appropriated dollars are spent to a detailed breakdown of all costs associated with the activity to include support, overhead, and other non-direct costs.

### **WEB PAGE REDESIGN**

We are currently redesigning the Competitive Sourcing/A-76 web pages on the AFCESA web site. The current information will still be available but reorganized and new sections will be added to keep the field abreast of the latest information. Since the web pages are for your use, if there is anything you think we should add that would be helpful for all field units, please let us know.

### **ASSISTANCE**

For help in planning your A-76, Direct Conversion, or Reengineering efforts call the HQ AFCESA A-76 Help Desk at DSN 523-4970 or e-mail: [A-76Desk@tynfl.TRW.com](mailto:A-76Desk@tynfl.TRW.com). The A-76 Help Desk consists of three full-time professionals with extensive experience in the competitive sourcing/A-76 process: an engineer, a contracting specialist, and a manpower expert. They operate from AFCESA to provide A-76 support services including, but not limited to, the following:

- Answering competitive sourcing/A-76/Reengineering related questions.
- Providing technical advice to A-76 CE Steering Committee members.
- Assisting in developing acquisition strategies.
- Providing guidance on new acquisition procedures.
- Reviewing statements of work, quality assurance plans, and management plans.
- Maintaining a repository of lessons learned from CE activities.